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## CROSS CUTTING ISSUES TECHNICAL WORKING GROUP GHG REGISTRY DESIGN OPTIONS MATRIX

APRIL 14, 2006

### NOTES:

- **BUILDS UPON GHG REPORTING DESIGN OPTIONS MATRIX**
- **SOME REPORTING PREFERENCES COULD BE OUTWEIGHED BY REGISTRY PREFERENCES (E.G., IF A REGIONAL REGISTRY HAS DIFFERENT SPECS).**

### **POTENTIAL GOALS OF GHG REGISTRY:**

1. RECORDING OF GHG REDUCTIONS (VS. EMISSIONS)
2. A CENTRAL, INDEPENDENT REPOSITORY FOR CREDIBLE INFO ABOUT EMISSIONS ACTIVITIES
3. A "TRANSACTION LEDGER" – PROVIDING DATA MANAGEMENT & ACCOUNTING CRITICAL FOR TRADING (WITH OR WITHOUT A CAP)
4. "BASELINE PROTECTION" – ENABLING EARLY ACTION CURRENT OR FUTURE CREDIT FOR TRADING
5. AN INCENTIVE TO TRACK & MANAGE EMISSIONS, SEEK PRODUCTIVITY AND ENERGY EFFICIENCY GAINS, ACCELERATE LEARNING CURVE REGARDING COMPETITIVENESS & CARBON MARKETS
6. ENHANCE PUBLIC RECOGNITION AND DEMONSTRATE CORPORATE CITIZENSHIP
7. POSSIBLE VEHICLE FOR REGIONAL, MULTI-STATE, & CROSS-BORDER COOPERATION
8. OTHERS?

	DESIGN ELEMENT	OPTIONS	DESIGN CONSIDERATIONS	PRELIMINARY RECOMMENDATION
1.	<b>KEY DESIGN CRITERIA (BEYOND <i>GHG REPORTING DESIGN OPTIONS MATRIX</i>)</b>			
1.1	DEFINE GEOGRAPHICAL BOUNDARIES	<ul style="list-style-type: none"> <li>• ARIZONA</li> <li>• REGIONAL (OR BROADER)</li> </ul>	<ul style="list-style-type: none"> <li>• SPAN OF CONTROL</li> <li>• COST, ECONOMIES OF SCALE, &amp; BROADER = BETTER?</li> </ul>	<ul style="list-style-type: none"> <li>• STATEWIDE AT LEAST, BUT AS BROAD AS POSSIBLE, CONSISTENT WITH BEST PRACTICES</li> <li>• WRAP REGION MAY BE POSSIBLE</li> </ul>
1.2	VERIFICATION	<ul style="list-style-type: none"> <li>• STATE VERIFICATION</li> <li>• THIRD-PARTY VERIFICATION</li> </ul>	<ul style="list-style-type: none"> <li>• SEE <i>GHG REPORTING DESIGN OPTIONS MATRIX</i></li> </ul>	<ul style="list-style-type: none"> <li>• THIRD-PARTY VERIFICATION</li> </ul>
1.3	BASE YEAR	<ul style="list-style-type: none"> <li>• SINGLE SPECIFIED YEAR</li> <li>• SINGLE ENTITY-CHOSEN YEAR</li> <li>• AVERAGE OF MULTIPLE YEARS</li> <li>• ADJUSTMENT RULES?</li> </ul>	<ul style="list-style-type: none"> <li>• FLEXIBILITY VS. SIMPLICITY</li> <li>• MUST HAVE GOOD DATA FOR BASE YEAR.</li> </ul>	<ul style="list-style-type: none"> <li>• UNLESS OTHERWISE REQUIRED FOR A SPECIFIC PURPOSE, ALLOW ENTITY TO CHOOSE BASE YEAR. (THIS ALLOWS ENTITIES TO GO BACK AS FAR AS GOOD DATA EXISTS.)</li> </ul>
1.4	PROJECT-LEVEL SUBMITTALS	<ul style="list-style-type: none"> <li>• YES / NO / CONSTRAIN</li> </ul>	<ul style="list-style-type: none"> <li>• AGAINST WHAT BASELINE?</li> <li>• ADDITIONALITY ISSUES (WHAT WOULD HAVE HAPPENED ANYWAY?)</li> </ul>	<ul style="list-style-type: none"> <li>• YES, KEEP AS OPEN AND FLEXIBLE AS POSSIBLE, BUT REQUIRE THIRD PARTY VERIFICATION AGAINST SOLID QUANTIFICATION PROTOCOLS.</li> </ul>
1.5	“OFFSETS”	<ul style="list-style-type: none"> <li>• YES / SOME / NO</li> </ul>	<ul style="list-style-type: none"> <li>• CO-BENEFITS LOCATION?</li> <li>• NATURE / CHARACTER?</li> </ul>	<ul style="list-style-type: none"> <li>• NOTE: OFFSETS ASSUME A GHG REDUCTION OBLIGATION, THEN WORK IN CONCERT WITH IT.</li> <li>• YES; DOOR SHOULD BE OPEN TO SPUR OTHERS TO ACT AND POSSIBLE REGIONAL ACTION.</li> </ul>
1.6	START DATE	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• ESTABLISH A “TO BE IN OPERATION” DATE?</li> </ul>	<ul style="list-style-type: none"> <li>• MANDATORY REPORTING STARTING IN 2008; REGISTRY TO FOLLOW ASAP FOR SECTORS/SOURCES AS SOON AS SOLID QUANTIFICATION PROTOCOLS EXIST.</li> </ul>

	DESIGN ELEMENT	OPTIONS	DESIGN CONSIDERATIONS	PRELIMINARY RECOMMENDATION
1.7	OWNERSHIP	•	• RISK OF DOUBLE-COUNTING	<ul style="list-style-type: none"> <li>• MUST HAVE ADEQUATE SAFEGUARDS AND PROTOCOLS TO ENSURE NO DOUBLE COUNTING.</li> <li>• STATE IS A VALID “OWNER” FOR GHG REDUCTIONS ACHIEVED AS A RESULT OF STATE MANDATES.</li> </ul>
1.8	TRANSPARENCY	•	•	<ul style="list-style-type: none"> <li>• MUST HAVE ADEQUATE TRANSPARENCY TO ENSURE QUALITY.</li> </ul>
1.9	OTHERS?	•	•	<ul style="list-style-type: none"> <li>• STRIVE FOR CONSISTENCY AND COMPATIBILITY WITH OTHER SIMILAR EFFORTS (AS DONE WITH RENEWABLE ENERGY CERTIFICATES (RECs)).</li> </ul>
<b>2.</b>	<b>TECHNICAL ISSUES</b>			
2.1	TREATMENT OF MINORITY OWNERSHIP	<ul style="list-style-type: none"> <li>• EQUITY SHARE</li> <li>• FINANCIAL CONTROL</li> </ul>	<ul style="list-style-type: none"> <li>• WRI-WBCSD <i>GHG PROTOCOL</i><sup>1</sup> COVERS BOTH</li> </ul>	<ul style="list-style-type: none"> <li>• COMPORT WITH <i>GHG PROTOCOL</i>.</li> </ul>
2.2	MERGER & ACQUISITION ISSUES	<ul style="list-style-type: none"> <li>• RECALCULATE BASE YEAR EMISSIONS IN EVENT OF ACQUISITION OR DIVESTMENT</li> </ul>	<ul style="list-style-type: none"> <li>• <i>GHG PROTOCOL</i> COVERS</li> </ul>	<ul style="list-style-type: none"> <li>• COMPORT WITH <i>GHG PROTOCOL</i>.</li> </ul>
2.3	QUALITY ASSURANCE; UNCERTAINTY ANALYSIS	<ul style="list-style-type: none"> <li>• DISCLOSE AREAS OF POTENTIAL UNCERTAINTY</li> </ul>	<ul style="list-style-type: none"> <li>• <i>GHG PROTOCOL</i> COVERS</li> </ul>	<ul style="list-style-type: none"> <li>• COMPORT WITH <i>GHG PROTOCOL</i>.</li> </ul>
2.4	REGULATORY GUIDANCE (PROTOCOLS, GUIDANCE DOCUMENTS, ETC.)	<ul style="list-style-type: none"> <li>• PREPARE &amp; PROVIDE TO INTERESTED PARTIES</li> </ul>	•	<ul style="list-style-type: none"> <li>• ARIZONA SHOULD PREPARE &amp; OFFER REASONABLE GUIDANCE AND TOOLS TO ENCOURAGE PARTICIPATION.</li> </ul>
2.5	DATA FLOW; FILING METHODS, ETC.	<ul style="list-style-type: none"> <li>• STATE AGENCY, 3<sup>RD</sup> PARTY, ETC.</li> </ul>	<ul style="list-style-type: none"> <li>• CONFIDENTIAL BUSINESS INFORMATION (CBI), LEGAL AUTHORITY, ETC.</li> </ul>	<ul style="list-style-type: none"> <li>• RETAIN STATE AUTHORITY, ENSURE ADEQUATE DATA PROTECTION, AND USE WEB FILING TO THE GREATEST EXTENT POSSIBLE.</li> </ul>

<sup>1</sup> [HTTP://WWW.GHGPROTOCOL.ORG/PLUGINS/GHGDOC/DETAILS.ASP?TYPE=DocDET&OBJECTID=MTM3NTc](http://www.ghgprotocol.org/plugins/GHGDOC/DETAILS.ASP?TYPE=DocDET&OBJECTID=MTM3NTc)

	DESIGN ELEMENT	OPTIONS	DESIGN CONSIDERATIONS	PRELIMINARY RECOMMENDATION
2.6	OTHERS?	•	•	•
3.	<b>ANCILLARY, ADMINISTRATIVE, &amp; OPERATIONAL ISSUES</b>			
3.1	LOCATION (AGENCY)	<ul style="list-style-type: none"> <li>• ADEQ</li> <li>• OTHER?</li> </ul>	<ul style="list-style-type: none"> <li>• REGIONAL POTENTIAL</li> </ul>	<ul style="list-style-type: none"> <li>• WITHIN ARIZONA, ADEQ IS PROBABLY THE BEST PLACE TO HOUSE THE REGISTRY (BUT ADEQUATE RESOURCES WILL BE NECESSARY).</li> <li>• IF REGIONAL, THEN TDB.</li> </ul>
3.2	SOFTWARE; WEB INTERFACE, ETC.	<ul style="list-style-type: none"> <li>• ARIZONA-SPECIFIC</li> <li>• CCAR, RGGR, CCX, ERT, EATS?</li> <li>• OTHER?</li> </ul>	<ul style="list-style-type: none"> <li>• MULTIPLE NEEDS (EMISSIONS INVENTORY, ALLOWANCES, MANDATORY, VOLUNTARY, ETC.)</li> <li>• RAPIDLY CHANGING “STATE OF THE ART”</li> </ul>	<ul style="list-style-type: none"> <li>• STRIVE FOR: (A) CONSISTENCY WITH OTHER REGISTRY EFFORTS; (B) FLEXIBILITY TO SERVE BOTH MANDATORY AND VOLUNTARY PARTICIPANTS &amp; SECTORS; (C) ABILITY TO CHANGE AS REGISTRIES EVOLVE; AND (D) MAXIMUM IMPLEMENTATION VIA WEB CAPABILITIES.</li> </ul>
3.3	COST	<ul style="list-style-type: none"> <li>• TRANSACTION FEE</li> <li>• PUBLICLY SUPPORTED?</li> <li>• OTHER?</li> </ul>	<ul style="list-style-type: none"> <li>• DEVELOPMENT COSTS</li> <li>• ONGOING OPERATING COSTS</li> </ul>	<ul style="list-style-type: none"> <li>• COSTS SHOULD BE BORNE PRINCIPALLY BY PARTICIPANTS.</li> </ul>
3.4	OVERSIGHT & MANAGEMENT	<ul style="list-style-type: none"> <li>• ADEQ</li> <li>• PUBLICLY APPOINTED BOARD</li> <li>• OTHER?</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• EITHER ADEQ OR A PUBLIC BOARD OK; BUT MUST MAINTAIN CURRENT POSITIVE MOMENTUM.</li> <li>• IF REGIONAL, THEN TDB.</li> </ul>
3.5	REPORTING OF RESULTS; RECOGNITION	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• REGISTRY SHOULD DO OUTREACH WITH RESULTS; RECOGNITION FOR PARTICIPANTS.</li> </ul>
3.6	OTHERS?	•	•	•